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A Retrospect

of 25 years with the
New York Central Railroad
and its allied lines

Chauncey M. Depew.

PRES'T NEW YORK CENTRAL & HUDSON RIVER R. R. CO.

1866

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A RETROSPECT.



It was in 1866. Engrossing attention to public service had interrupted the practice of my profession of the law. The Republican party was largely predominant. Partial friends urged that the prospects of a political career were brilliant. I had retired at the beginning of the year from the office of Secretary of State, had resigned the post of United States Minister to Japan, to which I had been nominated and confirmed by the Senate, and had been appointed Collector of the Port of New York, which appoint-

ment was recalled by President Johnson because of the refusal of the Republican Senators to sustain his veto of the Civil Rights Bill.

The cross-roads between a public or business life had been reached. "Which way?" was the absorbing question. William H. Vanderbilt said: "We want your services"; and the Commodore remarked, "Chauncey, politics don't pay. The business of the future in this country is railroading." The commission was attorney for the New York and Harlem Railroad Company, but the duties covered everything official or personal in which the Commodore was interested. For the last eleven years of his life I was in almost daily consultation with this remarkable man. He accumulated the largest fortune ever made. His long life was an uninterrupted succession of wars and triumphs. He always fearlessly gave battle in the fierce business competitions of his time, and never lost one. The most extraordinary fact in his career is that he gained

the majority of his vast wealth after he had passed threescore and ten. His methods of managing the railway properties in which he acquired a controlling interest were as original as the processes by which he captured them. He cared little for details, and speedily wearied of them. He stated in general terms the results he desired, and then expected the officers of the companies to work them out. It was impossible to explain to him a failure.

He had uniformly overcome difficulties, no matter how great they were, and if the person charged with the performance of a work outlined by his imperious mind was unequal to the task, his resignation was demanded, and another took his place. For the business opportunities and requirements of his period, Commodore Vanderbilt had unequaled genius, but for the more exacting and scientific demands of the developed enterprises of the later time, his son William H. had greater talents. William H. loved details. He wore out his life in the enor-

mous labor of directing the policy of his companies, and keeping in touch with all the particulars of every department of the business. The overshadowing ability and prestige of his father alone prevented William H. from being recognized as the foremost railway manager in this country. The peculiarity of my connection with what is now known as the Vanderbilt system is that during this quarter of a century I have been in the closest confidential relations with the founder for the closing and most important years of his life, with his son for the whole of his active management of these properties, with the elder grandson during the entire period, and his brother the greater part of it, and have seen the great-grandson pass his majority and go through the preparation in school and college to meet the broader duties which are imposed upon wealth and power with each generation. It is a proud and satisfactory retrospect that no frictions, differences, or criticisms have clouded these years, but they present an

unbroken and unusual memory of pleasure in the work, gratification with the growth of the plant, and happiness in the association, friendship, and confidence of fellow-laborers in this great field. The best part of the recollections of the past and the enjoyment of the present consists in the attachments formed with the men, living and dead, who have stood and worked together during the quarter-century whose completion we commemorate.

The most eloquent presentation of the lesson and results of the hour will be a brief review of the development of our system and of the railways in the Republic during the past twenty-five years.

It is hardly an exaggeration to claim that a history of the development of railroading, as a science and as a business, during the last twenty-five years, is an epitome of its entire development. For, while the first railway in the State of New York was opened for business in 1831, railroading, during the first twenty-five or thirty years

of its history, was more a series of experiments than an exact science.

The extraordinary development of the Vanderbilt roads, so called, in the State of New York can best be illustrated by a series of comparisons of a statistical nature. For example, in 1866 the Vanderbilt roads in the State of New York, comprising then the New York and Harlem and the Hudson River Railroads, extended over only 281 miles of single track, and even with their ramifications of double track, sidings, and spurs the grand total was only 463 miles. The total mileage in New York State was 3,178, and in the United States 36,827. In 1891 the New York Central and Hudson River Railroad, with its leased and operated lines, consisting of sixteen roads, comprises 2,353 miles of single track, with a grand total of 5,091 miles of all tracks. In 1891 the total mileage of all railroads in the State of New York is 7,921, and in the United States 171,117 miles.

The following is a brief genealogical table

of this remarkably prolific expansion: In 1869 came the union of the New York Central and Hudson River Railroads, to which the Hudson River Railroad contributed its adopted branch, the Troy and Greenbush Railroad; in 1871 the Spuyten Duyvil and Port Morris Railroad joined the family; in 1873 the New York and Harlem Railroad, with its offshoot, the New York and Mahopac Railroad, and the Dunkirk, Allegheny Valley and Pittsburg Railroad were taken in; in 1885 the West Shore Railroad, and in 1886 its extension, the New Jersey Junction Railroad, were added; in 1890 the Beech Creek Railroad formed an important addition in Pennsylvania; in 1891 the Syracuse, Ontario and New York Railway, and the Rome, Watertown and Ogdensburg Railroad, with its subsidiary lines, the Oswego and Rome Railroad, the Niagara Falls Branch Railroad, the Utica and Black River Railroad and the Carthage, Watertown and Sackett's Harbor Railroad, completed the long list to date. Besides the above leased

lines, the Wallkill Valley Railroad is operated under the same management, but as an independent road.

The value of the property of the Hudson River and Harlem Railroads and their equipment in 1866 was \$28,000,000; in 1891 it is \$166,500,000. The capital stock and funded debt, which represent the public's share in the enterprise, have increased from \$13,700,000 and \$13,300,000, in 1866, to \$96,000,000 and \$74,000,000 respectively in 1891.

To justify the change in the amount of the investment and the value of the property, it is well to consider the relative income accounts of the two years. We find that in 1866 the gross earnings were \$7,600,000, and in 1891 \$39,400,000; the operating expenses, which in 1866 were only \$4,700,000, amounted in 1891 to \$26,000,000, almost one hundred per cent. of the entire capitalization in 1866.

In 1866 the two roads carried 3,500,000 passengers a distance of 123,000,000 miles,

an average of 35 miles each. In 1891 the sixteen roads of the consolidated company carried 20,500,000 passengers a distance of 604,700,000 miles, an average of 30 miles each, a decrease in average mileage which serves to emphasize the expansion of the suburban business.

In 1866 the two roads hauled a little less than 800,000 tons a distance of 79,600,000 miles, an average of 100 miles to the ton. In 1891 the sixteen roads hauled 19,500,000 tons a distance of 3,105,000,000 miles, an average of 160 miles to the ton.

In 1866 the average passenger paid $2\frac{2}{3}$ cents for each mile he traveled; in 1891 he paid $1\frac{9}{100}$ cents. In 1866 every ton of freight produced an average revenue of $4\frac{6}{10}$ cents for each mile it was hauled; in 1891 competition and scientific development have reduced the average rate to less than three fourths of a cent for hauling one ton of freight one mile.

To handle the business in 1866 the Vanderbilt roads in New York State required

125 locomotives, 251 passenger cars, and 1,421 freight cars of all sorts and sizes. The length of the average box car was 28 feet, and its capacity 10 tons; the average passenger car was 40 feet long, and would seat 40 passengers. In 1891 the roll shows 1,176 locomotives, 1,232 passenger cars, and 42,578 freight cars. The box car has been lengthened to 34 feet, with a capacity of 22 tons; the coach is 54 feet long, and carries 64 passengers in a comfort unknown when railroading was young.

The fast express train of 1866 attained a speed of 34 miles per hour; the Empire State express of 1891 keeps up a speed of 51 miles an hour from the sea to the lakes. Just for the sake of experiment, one run was made of $436\frac{1}{2}$ miles in $425\frac{3}{4}$ minutes, but that is not a fair test of development in regular service.

While the speed has so considerably increased, the power has received development to an even greater extent, in order to move the much heavier trains of the present

time. In 1866 the average passenger train, including the engine, weighed 130 tons; the average freight train from 200 to 250 tons. In 1891 some of the mogul freight engines weigh, without any train attached, 100 tons, while the limited passenger trains weigh nearly 400 tons, and a freight train of 35 cars weighs over 500 tons.

When I entered the service, the depot and offices of the Hudson River Road in New York were at 30th street and 10th avenue, and of the Harlem at 26th street and 4th avenue. Since then the Grand Central Station has been constructed, and the four-track viaduct and tunnels built to reach it. The roadway has been depressed through the city north of the Harlem River. A third track has been added on the Hudson River from Croton down. Two new tracks, making practically another and auxiliary railway, from Albany to Buffalo, have made the Central the only four-track railroad in the country. Commencing twenty-five years ago with the Hudson River Railroad from New

York to Albany, 143 miles, and the New York and Harlem from New York to Chatham, 128 miles, the Vanderbilt system has expanded until, in addition to the development in the State of New York heretofore mentioned, there have been acquired the Lake Shore and Michigan Southern—the Michigan Central—the Canada Southern—the New York, Chicago and St. Louis—the Cleveland, Cincinnati, Chicago and St. Louis—the Chicago and Northwestern—the Chicago, St. Paul, Minneapolis and Omaha—and the Milwaukee, Lake Shore and Western, while the Boston and Albany and the Chesapeake and Ohio work in such close alliance with the system as to be practically part of it. From covering part of one State, the system now traverses nineteen States of the United States and the Province of Ontario in Canada. The Vanderbilt system of railways passes through the following States: Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Virginia, West Virginia, Kentucky, Indiana, Michigan,

Wisconsin, Minnesota, Iowa, Illinois, Missouri, Nebraska, South Dakota, North Dakota, Wyoming, and the Province of Ontario, Canada.

The marvelous extension of the general railway system of the Republic, and the growth of Territories and States which has followed in the past quarter of a century, have been accompanied by an equally remarkable and healthy change in the relations of the public and the companies. The struggle was hardly begun in 1866 between the people and the corporations. The railroad was regarded by its owners as a private business to be managed solely for profit, and by the public as a necessary but conscienceless agent for the carriage of freight and passengers, and to be kept in check by savage assaults or reckless raids upon its treasury or its earning power. The principal business of the legislatures came to be railway legislation. Shippers flocked to the State capitols to secure relief from discriminations, speculators to influence the price of stocks

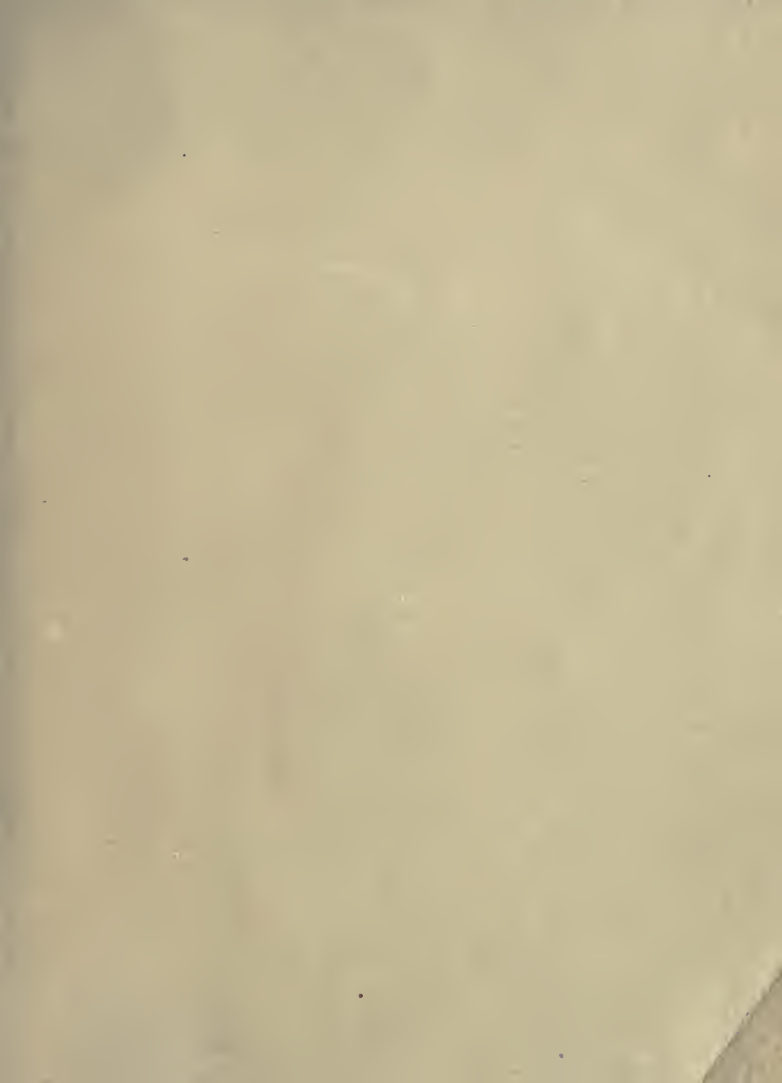
by promoting attacks to put them down, and then killing their own measures to put them up, and adventurers to prey upon all parties. Freight agents, clothed with unlimited discretion, exercised their favoritism or their animosities upon individuals and communities; but such officers are now as extinct as the Mastodon. The struggle might have ended in the destruction of the value of these properties, and the permanent crippling of their usefulness. But sense on both sides, or rather the American genius and faculty for affairs, has happily solved the problem. The railways have come to acknowledge their popular obligations and semi-public character, and the National Government and the States have substituted wise supervision and regulation for blind and unreasoning attacks. The railway president who acted in equal disregard of the public and of the interests of his stockholders is a memory of the past. The managers of the present of these vast interests, whose proper conduct is so vital to the

prosperity of commerce and the welfare of the commonwealth, are with few exceptions able, broad minded and public spirited. They are keenly alive to the grave responsibilities which rest upon them, to the double obligation to the people and their stockholders which requires both statesmanship and business skill and judgment, and to their duties to that great army of employees which calls for the head of a general and the heart of a philanthropist.

I may be pardoned for hailing as a happy omen for the next quarter of a century that we enter upon its first year with more abundant harvests, greater commerce, and better promise of continuing prosperity for our country; and for the railroads, more peaceful relations among themselves and with the public, and larger earnings, than at any other period in the history of the United States.









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